



(619) 292-1212
(619) 292-4635

CENTURY DESIGN INC. 3635 AFTON ROAD, SAN DIEGO, CALIFORNIA 92123
<http://www.centurydesigninc.com> E-mail: centuryd@pacbell.net

March 19, 2010

Supervisor Bill Horn
Supervisor 5th District
325 South Melrose Drive
Vista, 92083-6627 92083-6627

RE: Why Manufacturing in the USA is Rapidly Disappearing?

Dear Honorable Bill Horn:

You have all heard it! "Manufacturers are deserting the USA"!

Nothing could be further than the truth – Manufacturers are being **DRIVEN OVERSEAS!**

Public perception is that low labor costs are the reason for offshore production. This is only a small part of the reason to stop producing in the USA.

The real cost savings are listed on the attachment to this letter.

This is a non-partisan report and is based on my 55 years of operating a small machinery manufacturing business in San Diego, California. This list comprises the issues that I face as a small business owner. Even as I write this, Congress is preparing to pass "cap and trade" legislation, as well as the global warming farce. These will cause more unemployment and business failures. They just don't get it! They continue to dig the hole deeper completely unaware of the consequences.

And it is not just the feds! All levels of government: city, county, and state are equally culpable in their sheer ignorance of business principles.

In 1955, businesses in San Diego were easy to establish which encouraged a great wave of entrepreneurship and inventiveness that were part of the California scene. This was the place to be if you had a good idea! Taxes were low percentage wise, burdensome, obstructive restrictions, and regulations were mostly non-existent.

Since then, there has been a steady stream of increased taxes, untenable regulations, codes, hiring practices, workers compensation fiascos and open season for disreputable lawyers who prey on small business owners who cannot possibly fathom these thousands of pages of regulations.

Page 2

Why Manufacturers are leaving the USA

March 19, 2010

Business owners should be spending their time on new sales, new products, and business expansion which would create more employment rather than trying to decipher and comply with the ever increasing glut of regulations which stifle employment.

Manufacturers of all types including oil companies, and pharmaceuticals, are not your enemies. They are job producers who improve your standard of living and keep you and your families healthy.

Profit is not a dirty word! Profit means jobs, returns on investments, research and development, and the capital to expand and hire even more workers in an ever increasing upward spiral.

Associates often ask me why I don't have my products produced overseas. The response is easy for me!

I am a second generation American whose grandparents immigrated here in the 1880's to create a better life for their family. They brought with them the spirit of hard work, love, and of their new country, and rock solid family values.

I will not let them down by caving in to a bloated bureaucracy that impedes the very essence of the spirit they brought to America!

It would not matter if I were the last manufacturer in this great land, I will not allow misguided, misinformed, naïve politicians to force me to abandon the American principles of innovation, creativity, and our "can do" philosophy.

I have a lot more to say about this and how to reverse this selling out of American manufacturing, and I will meet with anyone who can do something about this sorry situation.

VERY Sincerely,
Robert J. Basso
President
CENTURY DESIGN, INC.
Cell: 619-339-8885

INCENTIVES FOR
ABANDONING MANUFACTURING IN THE USA
AND HAVING PRODUCTS MADE OVERSEAS

(China, Vietnam, India, Etc.)

Here are some reasons to stop producing products in San Diego, and California in general:

EMPLOYEES

NO manufacturing employees

- No payroll or payroll records
- No social security contributions
- No worker's compensation contributions
- No threat (real or false) of wrongful termination lawsuits
- No threat (real or false) of sexual harassment lawsuits
- No threat (real or false) of discrimination
- No threat of fraudulent workers compensation claims
- No absenteeism, tardiness, or sick days
- No vacations to fund or track
- No maternity leave to work around
- No Labor Board appearances to defend against (true or false) employee claims
- No workplace accidents
- No safety program to administer
- No OSHA compliance, inspections or fines, (OSHA regulations are over 10,000 pages).
- No CalOSHA compliance inspections or fines (Federal OSHA regulations PLUS CA regulations)
- No State unemployment insurance contributions
- No Medicare contributions
- No pension plan contributions
- No pension plan administration
- No health insurance premiums
- No life insurance premiums
- No issues concerning exempt and non-exempt employees
- No employee manuals or disputes
- No forklift training or record keeping.

NO USA FACTORY COSTS

- No factory!
- No land for factory.
- No rent or mortgage payments
- No gas, electric, or water payments
- No trash disposal services
- No delivery vehicles, license fees, insurance
- No building maintenance costs
- No landscaping maintenance costs
- No medical supply services costs
- No exterior maintenance – repaving, striping, etc.
- No parking lot area

SHOP EQUIPMENT

- No machine shop equipment to purchase and maintain
- No sheet metal shop to purchase
- No assembly shop to staff
- No paint shop, permits and fees
- No delivery vehicles
- No repair and maintenance of shop equipment or vehicles

NO INSURANCE

- No worker's compensation insurance
- No worker's compensation claims (real or otherwise)
- No worker's compensation record keeping or inspections
- No liability insurance and annual negotiations
- No medical insurance and annual negotiations
- No property insurance
- No vehicle insurance or special permits for delivery trucks

TAXES/FEEES

- No sales tax administration costs for purchased goods
- No property taxes
- No signage taxes
- No personal property taxes (equipment)
- No vehicle license fees (trucks)
- No hazardous materials fees
- No business equipment property taxes
- No air compressor permit fees
- No paint system permit fees
- No fees, permits, or construction to expand factory to accommodate increased production.

EPA – ENVIRONMENTAL PROTECTION

- No material classified as "Hazardous" – lubricating (oils, paint, etc.)
- No EPA reports
- No EPA fees or permits
- No EPA inspections
- No need to attempt to digest thousands of pages of confusing regulations
- No "Clean Water Act" compliance, inspection fees, or penalties.

ADA COMPLIANCE

- No Federal ADA compliance (American Disability Act) or frivolous lawsuits
- No California ADA compliance or frivolous lawsuits
- No potential fines, fees, legal implications
- No need to attempt to digest thousands of pages of ADA and California ADI regulations

INSURANCE

- No health insurance premiums
- No liability insurance premiums
- No vehicle insurance premiums (trucks, etc.)
- No fire/casualty insurance premiums
- No annual negotiations for these insurance policies
- No insurance audits or inspections

OTHERS (not in my business)

- No Unions
- No collections and tracking of union dues
- No threat of union organizing
- No pensions, 401K's, or other retirement programs
- No pension administration
- No pension disputes or legal fees
- No health Insurance contributions
- No health Insurance administration or reporting
- No health and human services personnel
- No arbitration or legal expenses for union negotiations.
- No strikes / loss of production